

## Message Text

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 04706 01 OF 04 290000Z  
ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
L-03 NSAE-00 OMB-01 PM-05 OES-09 SP-02 SS-15  
STR-07 TRSE-00 ACDA-12 NSCE-00 SSO-00 ICAE-00  
INRE-00 DOEE-00 ( ISO ) W

-----011345 290122Z /14

O 282340Z SEP 78

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 8794

INFO AMCONSUL MONTREAL

ALL OTHER CONSULS IN CANADA POUCH

LIMITED OFFICIAL USE SECTION 01 OF 04 OTTAWA 04706

PASS VICE PRESIDENT'S OFFICE FOR DENNIS CLIFT; DOE/IA  
FOR JOHN TREAT

E.O. 11652: N/A

TAGS: ENRG, ETRD, CA

SUBJECT: NATIONAL ENERGY BOARD (NEB) 1978 OIL SUPPLY AND  
REQUIREMENTS REPORT

REF: A. OTTAWA 3301; (B) 77 OTTAWA 4618

1. SUMMARY: NEB'S 1978 OIL SUPPLY AND REQUIREMENTS  
REPORT CONCLUDES THAT THERE IS NO CANADIAN NEED FOR ADDI-  
TIONAL OIL IMPORT FACILITIES, THUS VIRTUALLY KILLING  
PROPOSED KITIMAT PIPELINE PROJECT. BOARD RECOMMENDED THAT  
EXPORT PHASEOUT BE SUSPENDED AND THAT LIGHT CRUDE OIL  
EXPORTS TO U.S. CONTINUE FOR THREE YEARS AT CURRENT 55 MB/D  
LEVEL THROUGH 1981. SEEING NO CHANGE IN SURPLUS HEAVY  
CRUDE OIL SITUATION, BOARD WILL CONTINUE PRESENT EXPORT  
LICENSING PROCEDURE, ALLOWING EXPORTS OF QUANTITIES RE-  
MAINING AFTER MEETING DOMESTIC FEEDSTOCK REQUIREMENTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 04706 01 OF 04 290000Z

BOARD'S FINDINGS REGARDING SUPPLY AND DEMAND VARY FROM  
THOSE IN 1977 REPORT (SEE REF B) BECAUSE IT APPEARED THEN  
THAT REFINERIES WEST OF OTTAWA VALLEY WOULD REQUIRE IM-  
PORTED OIL IN 1980'S. BOARD ALSO COMMENTED THAT EFFORTS  
TO INCREASE GAS CONSUMPTION IN EASTERN CANADA WOULD EXAS-  
CERBATE SURPLUS HEAVY FUEL OIL PROBLEM IN THAT AREA. 1978  
REPORT REFLECTS LOWER ANTICIPATED DOMESTIC DEMAND AND IM-

PROVED SUPPLY FORECAST, ESPECIALLY WITH RESPECT TO OIL SANDS DEVELOPMENT.

2. WHILE SENIOR ENERGY, MINES AND RESOURCES OFFICIALS HAVE TOLD US THAT CABINET WILL APPROVE CONTINUATION OF 55 MB/D LIGHT OIL EXPORT LEVEL, USG SHOULD NOT EXPECT THIS TO BE FORTHCOMING WITHOUT POSSIBLE BARGAINING ON OTHER OUTSTANDING BILATERAL ENERGY ISSUES. END SUMMARY.

3. NEB RELEASED SEPTEMBER 27 ITS 1978 OIL SUPPLY AND REQUIREMENTS REPORT BASED ON EVIDENCE PRESENTED AT HEARINGS CONDUCTED MAY 24-JUNE 22. BOARD'S MAIN CONCLUSIONS ARE:

A. THERE IS NO CANADIAN NEED TO EXPAND OR AUGMENT EXISTING FACILITIES TO IMPORT OVERSEAS OIL.

B. DELIVERIES OF CANADIAN CRUDE OIL TO MONTREAL SHOULD NOT BE AT SUCH HIGH LEVEL AS TO JEOPARDIZE LONG-TERM VIABILITY OF PORTLAND-TO-MONTREAL PIPELINE. PRESENT CAPACITY OF SARNIA-MONTREAL PIPELINE, WITHOUT ADDITIONAL INVESTMENT IN FACILITIES, IS ABOUT 315 MB/D AND THROUGH-PUTS NOT EXCEEDING THIS LEVEL WOULD BE COMPATIBLE WITH OBJECTIVE OF MAINTAINING SUFFICIENT DELIVERIES BY PORTLAND-MONTREAL PIPELINE TO KEEP IT IN SERVICE.

C. DELIVERIES OF CANADIAN OIL TO MONTREAL COULD BE SUSLIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OTTAWA 04706 01 OF 04 290000Z

TAINED AT 315 MB/D UNTIL LATE 1983; DELIVERIES WOULD HAVE TO BE REDUCED GRADUALLY THEREAFTER, REACHING 100 MB/D LEVEL BY 1995.

D. IF GOC DETERMINES IT TO BE IN NATIONAL INTEREST, LICENSING OF LIGHT CRUDE EXPORTS CAN BE MAINTAINED AT 1978 LEVEL OF 55 MB/D FOR THREE YEARS.

E. HEAVY CRUDE OIL EXPORTS SHOULD CONTINUE TO BE LICENSED ON CURRENT BASIS, I.E., RESTRICTED TO QUANTITIES REMAINING AFTER MEETING FEEDSTOCK REQUIREMENTS OF CANADIAN REFINERIES.

F. SIGNIFICANT DISPLACEMENT OF OIL BY NATURAL GAS IN EASTERN CANADA WOULD WORSEN EXISTING SURPLUS REFINING PROBLEM IN THAT AREA. MARKETS FOR DISPLACED OIL PRODUCTS MIGHT NOT BE FOUND EASILY.

4. BOARD'S FORECAST OF CRUDE OIL RESERVES AND PRODUCTIBILITY AS OF JANUARY 1, 1978:

A. LIGHT OIL: REMAINING RECOVERABLE RESERVES ARE ESTI-

MATED AT 5,000 MILLION BARRELS. ADDITIONS TO RESERVES FROM NEW DISCOVERIES FOR LIGHT CRUDE IN WESTERN CANADA WILL BE 1.3 BILLION BARRELS, INCLUDING 0.5 BILLION BARRELS OF RECOVERABLE OIL FOR WEST PEMBINA. RECOVERABLE RESERVES OF LIGHT WILL BE FURTHER INCREASED BY NEARLY ONE BILLION BARRELS AS RESULT OF IMPROVED RECOVERY TECHNIQUES. POTENTIAL PRODUCIBILITY OF LIGHT CRUDE FROM ESTABLISHED RESERVES WILL DECLINE FROM 1,389 MB/D IN 1978 TO 606 MB/D IN 1985. PRODUCIBILITY FROM RESERVES ADDITIONS IS EXPECTED TO INCREASE FROM 14 MB/D IN 1978 TO 151 MB/D IN 1985.

B. HEAVY CRUDE: ESTABLISHED REMAINING RECOVERABLE RESERVES ARE 783 MILLION BARRELS. NEW DISCOVERIES ARE EXPECTED TO ADD 400 MILLION BARRELS OF RESERVES' NEB HAS ALSO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 OTTAWA 04706 01 OF 04 290000Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 04706 02 OF 04 290031Z  
ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
L-03 NSAE-00 OMB-01 PM-05 OES-09 SP-02 SS-15  
STR-07 TRSE-00 ACDA-12 NSCE-00 SSO-00 ICAE-00  
INRE-00 DOEE-00 ( ISO ) W  
-----117796 041711Z /14

O 282340Z SEP 78  
FM AMEMBASSY OTTAWA  
TO SECSTATE WASHDC IMMEDIATE 8795  
INFO AMCONSUL MONTREAL  
ALL OTHER CONSULS IN CANADA POUCH

LIMITED OFFICIAL USE SECTION 02 OF 04 OTTAWA 04706

INCLUDED 420 MILLION BARRELS FROM DEVELOPMENT OF KNOWN OIL IN PLACE IN LLOYDMINSTER AREA AND 1,750 MILLION BARRELS OF RESERVES ADDITIONS FROM IMPROVED RECOVERY TECHNIQUES. POTENTIAL PRODUCIBILITY FROM ESTABLISHED RESERVES OF HEAVY CRUDE OIL IS EXPECTED TO DECLINE FROM 208 MB/D IN 1978 TO

104 MB/D IN 1985. PRODUCIBILITY FROM RESERVES ADDITIONS DURING SAME PERIOD IS EXPECTED TO INCREASE FROM 9 MB/D TO 76 MB/D.

C. PENTANES PLUS: NEB FORECAST IS ONLY marginally HIGHER THAN THAT PUBLISHED IN 1977 REPORT (15 BBLs/MMCF OF MARKET-ABLE GAS, DECLINING TO 10 MILLION BBLs/MMCF OVER 10-YEAR PERIOD AND THEN REMAINING CONSTANT DURING REMAINDER OF FORECAST PERIOD).

D. OIL SANDS: NEB CURRENT ESTIMATE APPROACHES MAXIMUM DEVELOPMENT SCENARIO SHOWN IN 1977 OIL REPORT. REALIZATION OF THIS FORECAST, BOARD SAYS, DEPENDS ON REALISTIC ATTITUDE ON SHARING REVENUE FROM THESE DEVELOPMENTS BY INDUSTRY AND ALBERTA AND FEDERAL GOVERNMENTS. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 04706 02 OF 04 290031Z

E. FRONTIER RESERVES: BOARD BELIEVES IT WOULD BE TOO SPECULATIVE AT THIS TIME TO PREDICT RESERVES ADDITIONS OR PREDICT OIL SUPPLY FROM FRONTIER AREAS DURING FORECAST PERIOD.

5. COMPARISON OF BOARD'S CURRENT FORECAST OF POTENTIAL PRODUCIBILITY WITH THAT CONTAINED IN 1977 REPORT:

- POTENTIAL PRODUCIBILITY (MB/D)  
- -----  
- FEB 1977 SEPT 1978  
- REPORT REPORT  
- EST. 78 1985 1995 1985 1995  
- -----

LIGHT CRUDE OIL

|                      |      |     |     |     |     |
|----------------------|------|-----|-----|-----|-----|
| ESTABLISHED RESERVES | 1389 | 543 | 181 | 606 | 196 |
| RESERVES ADDITIONS   | 14   | 63  | 114 | 151 | 195 |

HEAVY CRUDE OIL

|                      |     |    |    |     |     |
|----------------------|-----|----|----|-----|-----|
| ESTABLISHED RESERVES | 208 | 85 | 28 | 104 | 37  |
| RESERVES ADDITIONS   | 9   | 74 | 90 | 76  | 166 |

|               |     |    |    |     |    |
|---------------|-----|----|----|-----|----|
| PENTANES PLUS | 129 | 87 | 44 | 102 | 48 |
|---------------|-----|----|----|-----|----|

|           |    |     |     |     |     |
|-----------|----|-----|-----|-----|-----|
| OIL SANDS | 77 | 200 | 575 | 255 | 755 |
|-----------|----|-----|-----|-----|-----|

|          |   |   |   |   |   |
|----------|---|---|---|---|---|
| FRONTIER | - | - | - | - | - |
|----------|---|---|---|---|---|

|                      |   |   |   |     |     |
|----------------------|---|---|---|-----|-----|
| LESS: UPGRADING LOSS | - | - | - | (5) | (5) |
|----------------------|---|---|---|-----|-----|

- -----

|       |      |      |      |      |      |
|-------|------|------|------|------|------|
| TOTAL | 1826 | 1052 | 1032 | 1289 | 1392 |
|-------|------|------|------|------|------|

6. TOTAL ENERGY DEMAND: BOARD EXPECTS TOTAL PRIMARY

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OTTAWA 04706 02 OF 04 290031Z

ENERGY DEMAND IN CANADA TO INCREASE FROM 8.8 QUADS IN 1978 TO 10.8 QUADS IN 1985 AND TO 14.3 QUADS IN 1995. ALTHOUGH THERE IS LITTLE DIFFERENCE BETWEEN CURRENT FORECAST FOR TOTAL PRIMARY ENERGY DEMAND AND FORECAST IN 1977 OIL REPORT, OIL SHARE IS SOMEWHAT LOWER IN PRESENT FORECAST BECAUSE OF INCREASED MARKET PENETRATION BY OTHER ENERGY FORMS. BOARD'S PRESENT FORECAST ALSO IS HIGHER THAN THAT CONTAINED IN JULY 1977 "REASONS FOR DECISION - NORTHERN PIPELINES" BECAUSE EVIDENCE DURING EARLIER HEARINGS INDICATED HIGHER ECONOMIC GROWTH THAN NOW ANTICIPATED AND GREATER SHARE OF ENERGY MARKET HELD BY ELECTRICITY THAN NOW ASSUMED.

7. DEMAND FOR REFINED PETROLEUM PRODUCTS: BOARD FORECASTS TOTAL REFINED PETROLEUM PRODUCT DEMAND TO GROW BY AVERAGE OF 1.4 PERCENT ANNUALLY, REACHING 2190 MB/D IN 1995. GROWTH IN DEMAND DURING FORECAST PERIOD IS EXPECTED TO SLACKEN GRADUALLY DUE TO INCREASING ENERGY PRICES, LOWER ECONOMIC GROWTH, INTERFUEL SUBSTITUTION AND CONSERVATION MEASURES. FOLLOWING TABLE COMPARES PRESENT PROJECTION OF PRODUCT SALES AND THAT CONTAINED IN BOARD'S 1977 OIL REPORT:

- REFINED PETROLEUM PRODUCT SALES - CANADA (1)

- (MB/D)

- FEB 1977 SEPT 1978

- EST. 78 REPORT REPORT

- -----

- 1985 1995 1985 1995

- ----

MOTOR GASOLINE 641 677 637 638 601

LIGHT FUEL OIL,

KEROSENE AND STOVE

OIL 294 334 360 270 265

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 04706 03 OF 04 290038Z

ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
 COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
 L-03 NSAE-00 OMB-01 PM-05 OES-09 SP-02 SS-15  
 STR-07 TRSE-00 ACDA-12 NSCE-00 SSO-00 ICAC-00  
 INRE-00 DOEE-00 ( ISO ) W

-----117809 041712Z /14

O 282340Z SEP 78

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 8796

INFO AMCONSUL MONTREAL

ALL OTHER CONSULS IN CANADA POUCH

LIMITED OFFICIAL USE SECTION 03 OF 04 OTTAWA 04706

DIESEL FUEL OIL 215 279 375 283 419

HEAVY FUEL OIL 295 425 487 333 367

PETROCHEMICAL

FEEDSTOCKS 71 115 212 137 160

OTHER PRODUCTS 219 269 360 285 379

- ---- - - - - - - - -

TOTAL 1734 2099 2431 1945 2190

(1) TOTALS MAY NOT ADD BECAUSE OF ROUNDING.

8. FEEDSTOCK REQUIREMENTS: CRUDE OIL REFINING CAPACITY IN AREA EAST OF OTTAWA VALLEY (EOV) INCLUDING MOTHBALLED COME BY CHANCE REFINERY IS EXPECTED TO BE MORE THAN SUFFICIENT TO MEET LOCAL PRODUCT DEMAND UNTIL AFTER 1995 PLUS CAPACITY FOR CONTINUING VOLUME OF EXPORTS. ADDITIONS TO WEST OF OTTAWA VALLEY (WOV) REFINING CAPACITY WILL LIKELY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 04706 03 OF 04 290038Z

BE REQUIRED IN PRAIRIES AND/OR BRITISH COLUMBIA DURING LATTER PART OF FORECAST PERIOD. ONTARIO CAPACITY IS EXPECTED TO BE SUFFICIENT UNTIL AT LEAST 1995. BOARD ASSUMED THAT REFINERIES WILL BE RUN TO MEET LIGHT OIL DEMAND, AND CONSEQUENTLY SOME REGIONAL SURPLUSES AND DEFICITS OF HEAVY OIL WILL OCCUR. FOLLOWING TABLE COMPARES BOARD'S CURRENT FORECAST OF FEEDSTOCK REQUIREMENTS WITH 1977 REPORT:

- REQUIREMENTS FOR CRUDE OIL AND EQUIVALENT

- -----

- (MB/D)

- ESTIMATED FEBRUARY SEPTEMBER

- 1978 1977 REPORT 1978 REPORT  
 - -----

EOV 850 956 1079 918 996

WOV 995 1240 1405 1131 1301

- --- --- --- ---

TOTAL 1845 2196 2484 2049 2297

9. SELF-RELIANCE AND SECURITY OF SUPPLY: BOARD PREDICTS  
 WOV REFINERS SHOULD BE ABLE TO CONTINUE OPERATING ON DOMESTIC  
 CRUDE SUPPLIES UNTIL AFTER 1995 AND SOME DOMESTIC  
 CRUDE OIL SHOULD CONTINUE TO BE AVAILABLE FOR DELIVERY TO  
 MONTREAL. SHOULD MAXIMUM DEPENDENCY (LOW SUPPLY - HIGH  
 DEMAND) SITUATION DEVELOP, HOWEVER, WOV REFINERS WOULD  
 REQUIRE IMPORTED CRUDE OIL IN SIGNIFICANT QUANTITIES EVEN  
 IF DELIVERIES OF CANADIAN FEEDSTOCKS TO MONTREAL WERE TER-  
 LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OTTAWA 04706 03 OF 04 290038Z

MINATED. BOARD, THEREFORE, FINDS THAT PORTLAND-MONTREAL  
 PIPELINE MUST BE MAINTAINED IN SERVICE TO ASSURE SECURITY  
 OF SUPPLY. FOLLOWING TABLE DEMONSTRATES THIS POINT:

- 1985 CALCULATION OF EXCESS CAPACITY OF EXISTING  
 - OIL IMPORT FACILITIES  
 - (MB/D)

- MINIMUM BASE MAXIMUM  
 - DEPENDENCY DEPENDENCY DEPENDENCY  
 - -----

WOV REQUIREMENTS 1042 1131 1244

PLUS: MONTREAL REQUIRE-

MENTS 508 550 614

- --- --- ---

SUB-TOTAL 1550 1681 1858

INDIGENOUS SUPPLY 1599 1394 1223

PLUS: EXISTING CAPA-  
 CITY OF PORTLAND-

MONTREAL PIPELINE 550 550 550

- --- --- ---

SUB-TOTAL 2149 1944 1773

EXCESS CAPACITY OF

EXISTING FACILITIES 599 263 (85) 1/

1/ FIGURE IN BRACKETS REPRESENTS A DEFICIENCY.

10. INTERFUEL SUBSTITUTION: EFFORTS TO MAKE GAS COMPETITIVE WITH PETROLEUM PRODUCTS IN EXISTING AND NEW MARKET AREAS COULD CREATE DISLOCATIONS THAT WOULD CAUSE SIGNIFICANT PROBLEMS FOR EASTERN CANADIAN REFINERS NOW OPERATING AT LESS-THAN-OPTIMUM CAPACITY. ADDITIONAL EXPORT MARKETS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 OTTAWA 04706 03 OF 04 290038Z

FOR PETROLEUM PRODUCTS, IF ACHIEVABLE, WOULD ASSIST THE

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 04706 04 OF 04 290043Z

ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
L-03 NSAE-00 OMB-01 PM-05 OES-09 SP-02 SS-15  
STR-07 TRSE-00 ACDA-12 NSCE-00 SSO-00 ICAL-00  
INRE-00 DOEE-00 ( ISO ) W

-----117817 041713Z /14

O 282340Z SEP 78

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 8797

INFO AMCONSUL MONTREAL

ALL OTHER CONSULS IN CANADA POUCH

LIMITED OFFICIAL USE SECTION 04 OF 04 OTTAWA 04706

TRANSITION.

11. IMPACT OF HEAVY CRUDE OIL UPGRADING ON SELF-RELIANCE:  
VOLUME OF HEAVY CRUDE OIL EXPECTED TO BE AVAILABLE DURING  
FORECAST PERIOD COULD BE SOLD IN DOMESTIC AND EXPORT MARKETS  
WITHOUT CONSTRUCTION OF AN UPGRADING FACILITY. IF AN  
UPGRADING FACILITY WERE CONSTRUCTED, HOWEVER, MORE CERTAIN  
YEAR-ROUND MARKET WOULD BE AVAILABLE AND ADDITIONAL  
DEVELOPMENT OF HEAVY CRUDE OILS WOULD BE ENCOURAGED.  
BOARD ASSUMED FOR ITS OIL SUPPLY BASE CASE THAT UPGRADING



PLANT WILL BE BUILT WITH INPUT CAPACITY OF 50 MB/D TO COME  
ON STREAM IN 1985.

12. OIL PORTS AND PIPELINES: BOARD CONCLUDED THAT OVER  
NEXT 15 YEARS CANADA SHOULD EMPHASIZE OIL SANDS DEVELOP-  
MENT WHILE SUSTAINING CONVENTIONAL OIL DEVELOPMENT. IF  
CANADA FOLLOWS THIS COURSE THERE IS NO NEED TO EXPAND  
EXISTING OIL IMPORT FACILITIES.

13. DETERMINATION OF EXPORT VOLUMES: BOARD RECOMMENDED  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 04706 04 OF 04 290043Z

LICENSING LIGHT OIL EXPORTS AT CONSTANT RATE FOR 1979-81  
PERIOD INCLUSIVE TO PROVIDE MORE CERTAIN SUPPLY PROJECTION  
FOR U.S. NORTHERN TIER REFINERIES, THUS ASSISTING THEM IN .  
MAKING ALTERNATIVE SUPPLY ARRANGEMENTS. CONTINUATION OF  
1978 LEVEL OF LIGHT CRUDE LICENSING EXPORTS AT 55 MB/D  
"WOULD BE REASONABLE." LIGHT CRUDE EXPORTS WOULD CEASE  
AFTER 1981 EXCEPT FOR OIL COVERED BY EXCHANGE ARRANGEMENTS  
AND OIL THAT DUE TO GRADE OR GEOGRAPHIC LOCATION IS  
LIMITED TO U.S. CUSTOMERS, SUBJECT TO UNFORESEEN CHANGE IN  
CANADIAN SUPPLY AND DEMAND. REGARDING HEAVY CRUDE OIL  
SURPLUS, BOARD INTENDS TO CONTINUE ITS PRESENT LICENSING  
PROCEDURE ON QUARTERLY BASIS, AUTHORIZING EXPORTS OF QUAN-  
TITIES REMAINING AFTER MEETING DOMESTIC FEEDSTOCK REQUIRE-  
MENTS. BOARD WILL CONTINUE TO RECOGNIZE IN LICENSING  
EXPORT OF REFINED PETROLEUM PRODUCTS THAT SOME REFINERY  
CAPACITY WAS BUILT TO PROCESS FOREIGN CRUDE OIL FOR EXPORT  
MARKET. BOARD WILL CONTINUE TO ASSURE THAT EXPORTS OF  
PRODUCT REFINED FROM DOMESTIC FEEDSTOCKS DO NOT COMPROMISE  
LONG-TERM SELF-RELIANCE OBJECTIVES. REFINERIES WITH SPARE  
CAPACITY SHOULD BE ENCOURAGED TO REFINER U.S. OR OVERSEAS  
CRUDE OIL TO SUPPLY PRODUCT TO U.S. MARKET.

14. COMMENT: WHILE SENIOR ENERGY, MINES AND RESOURCES  
OFFICIALS HAVE INDICATED TO US THAT CABINET WILL APPROVE  
RECOMMENDED SUSPENSION OF LIGHT OIL EXPORT PHASEOUT AND  
CONTINUATION OF PRESENT LEVEL OF LIGHT OIL EXPORTS, USG  
SHOULD NOT EXPECT CABINET APPROVAL WILL BE FORTHCOMING  
WITHOUT POSSIBLE BARGAINING ON OTHER OUTSTANDING BILATERAL  
ISSUES.

15. COPIES OF REPORT FOLLOW BY POUCH TO EUR/CAN,  
B/ORF/FSE, DOE/IA, DOE/FERC AND VICE PRESIDENT'S OFFICE.  
ENDERS  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OTTAWA 04706 04 OF 04 290043Z

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 sep 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978OTTAWA04706  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** n/a  
**Format:** TEL  
**From:** OTTAWA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t1978097/aaaaafqy.tel  
**Line Count:** 495  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE  
**Message ID:** d989b350-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 10  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A.OTTAWA 3301, 77 OTTAWA 4618  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1445436  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NATIONAL ENERGY BOARD (NEB) 1978 OIL SUPPLY AND REQUIREMENTS REPORT  
**TAGS:** ENRG, ETRD, CA  
**To:** SECSTATE WASHDC MONTREAL MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/d989b350-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014